



Missouri Department of Natural Resources Energy Center

MISSOURI ENERGY BULLETIN

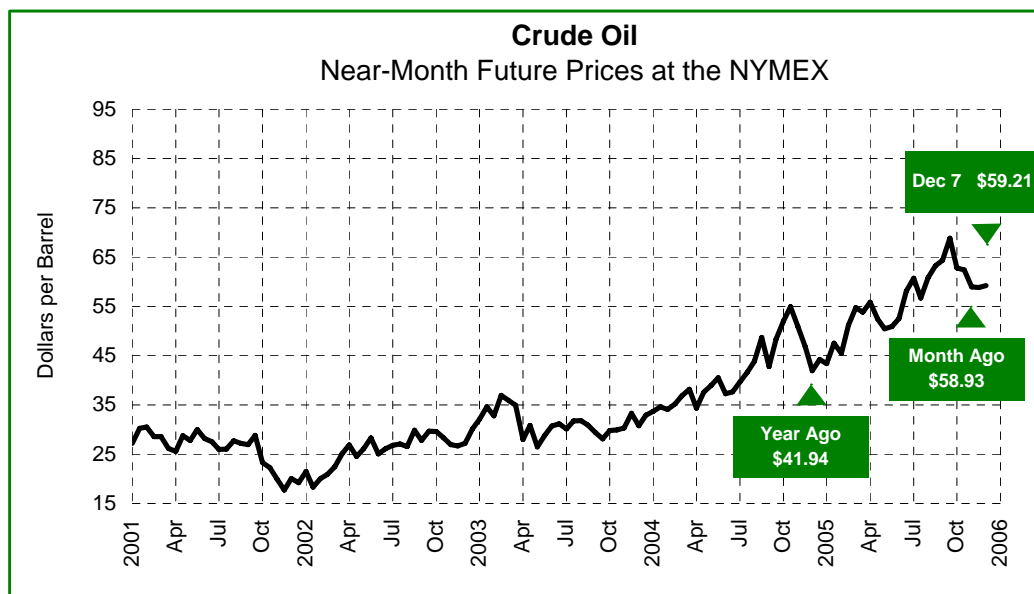
December 8, 2005

Crude Oil

On Dec. 7, NYMEX crude oil futures closed lower at \$59.21 per barrel following an increase in crude oil imports and a large build in U.S. crude oil supplies for the week ending Dec. 2.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	<u>12-07-05</u>	<u>11-09-05</u>	<u>change</u>	<u>12-08-04</u>	<u>change</u>
NYMEX	\$59.21	\$58.93	up 1%	\$41.94	up 41%

- Crude oil futures for January delivery on the NYMEX fell \$0.73 on Dec. 7 to settle at \$59.21 per barrel in response to U.S. Energy Information Administration (EIA) data showing a large rise in both crude oil imports and domestic supplies for the week ending Dec. 2. Crude prices have increased over the last week in response to higher home heating demand due to cold weather in the Northeast and Midwest.



- EIA reports domestic crude supplies rose 2.7 million barrels to 320.3 million barrels, well above the 5-year average for this time of year. According to the U.S. Minerals Management Service (MMS), as of Tuesday, Dec. 6, approximately 64% of the Gulf's 1.5 million barrels per day of crude production was back on line.

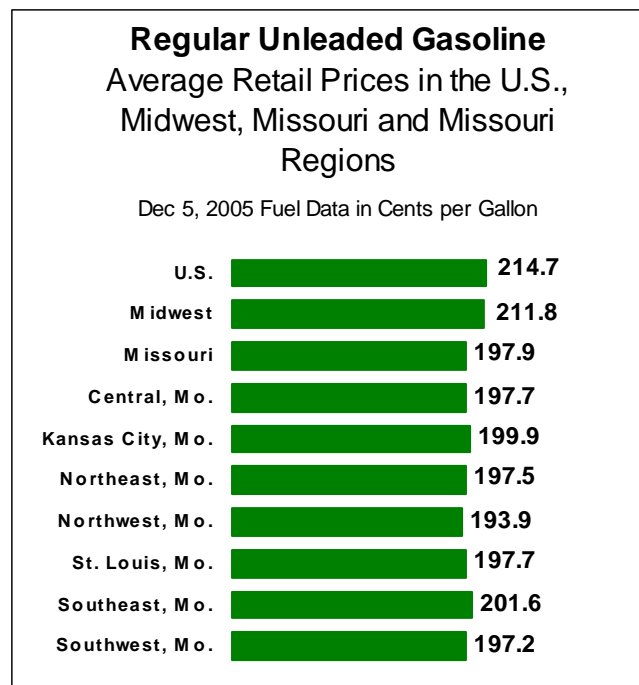
- For the week ending Dec. 2, U.S. crude oil production improved by 256,000 barrels per day, moving from 4.76 to 5.02 million barrels per day. Current production is below the 5.4 million barrels per day reported at this time last year. Crude oil imports increased 886,000 barrels moving from 9.69 million to 10.58 million barrels per day. Crude oil imports were estimated at 10.86 million barrels per day at this time last year.

Transportation Fuels

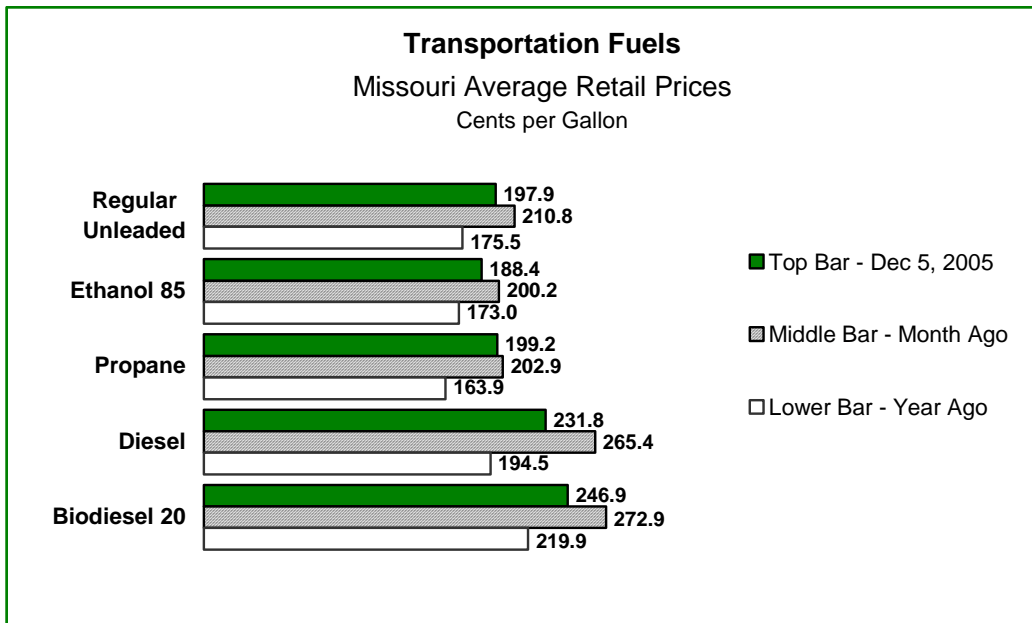
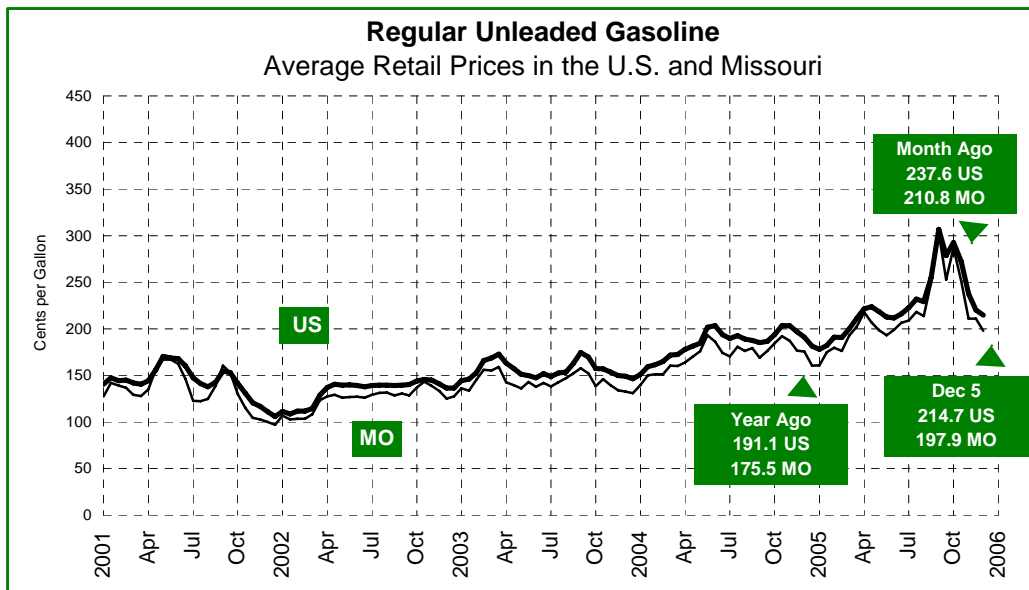
On Dec. 5, Missouri's average retail price for regular unleaded gasoline and diesel fuel was \$1.97 and \$2.31 per gallon, respectively, with price declines related to the recovery of Gulf Region refineries.

<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>12-05-05</u>	<u>11-07-05</u>	<u>change</u>	<u>12-06-04</u>	<u>change</u>
US	214.7	237.6	down 10%	191.1	up 12%
Missouri	197.9	210.8	down 6%	175.5	up 13%

<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>12-05-05</u>	<u>11-07-05</u>	<u>change</u>	<u>12-06-04</u>	<u>change</u>
Missouri	231.8	265.4	down 13%	194.5	up 19%



- On Dec. 5, Missouri's statewide average gasoline and diesel retail prices were 6 and 13 percent lower, respectively, than at this time last month. Missouri's average retail price for diesel fell 34 cents from last month due to improved domestic diesel supplies and higher production levels. Since Dec. 5, prices have increased following cold weather that is also supporting higher crude oil and other petroleum product prices.
- Distillate stocks, which include heating oil and diesel fuel, increased 2.7 million barrels to 130.6 million barrels. Distillate supplies are now 11.3 million barrels higher than at this time last year.



- For the week ending Dec. 2, U.S. gasoline stocks increased 2.7 million barrels to 202.6 million barrels. Demand remained relatively flat at 9.2 million barrels per day compared to 9.18 million the week before. Gasoline imports reached 0.949 million barrels per day, an increase of 365,000 barrels per day from the prior week. Gasoline supplies are down 5.5 million barrels from a year ago.

Coal

Coal - Spot Prices (dollars per ton)					
	Nov '05	Oct '05	change	Nov '04	change
Powder River	\$17.00	\$11.17	up 52%	\$6.31	up 169%

- According to the EIA as of Nov. 29, Powder River Basin (PRB) spot prices had been trending up all year, reaching an all-time high in the week ended Oct.21.
- According to the EIA, many coal buyers and sellers expect the prices to remain elevated because coal supplies and inventories are tight at the same time as coal demand is increasing, and neither the tight

coal supplies and inventories nor the increasing demand are expected to be resolved quickly. Coal demand is likely to remain high as long as natural gas prices remain above \$6.00 per thousand cubic feet (Blaney, J, Implications of New Air Regulations for Coal Markets at Platts Coal Marketing Days, September 26, 2005).

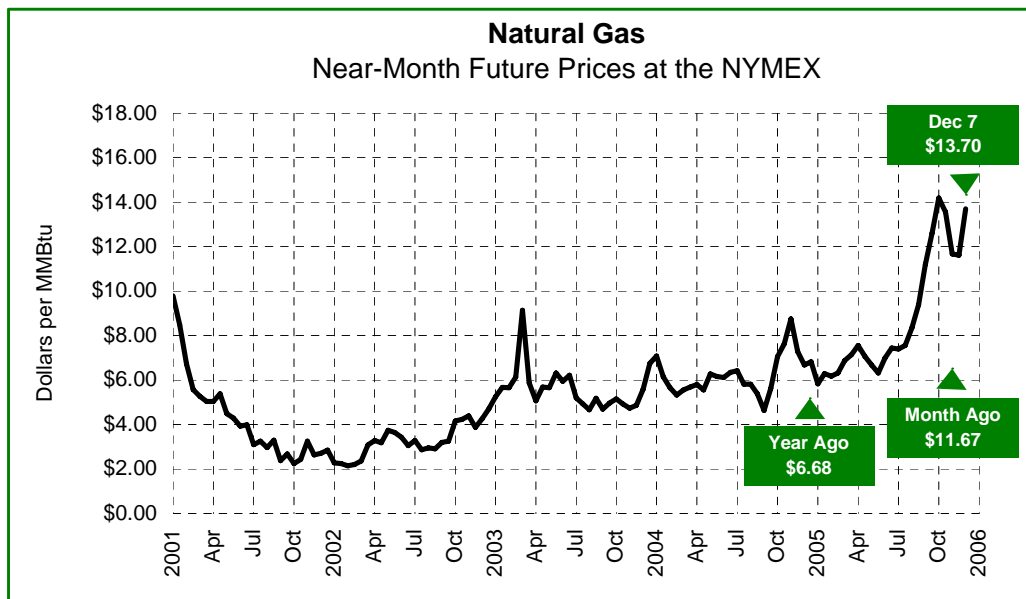
Natural Gas

Approximately 57 percent (1,261,397) of Missouri households use natural gas to heat their homes. Natural gas is also used to produce goods and electricity.

On Dec. 7, natural gas futures closed at \$13.70 per MMBtu, an increase of \$2.03 since last month and \$7.02 or 105 percent higher than this time last year due to space heating demand and continued shut-in natural gas production in the Gulf of Mexico.

Natural Gas - Near Month Future Prices (dollars per mmbtu)					
	12-07-05	11-09-05	change	12-08-04	change
NYMEX	\$13.70	\$11.67	up 17%	\$6.68	up 105%

- On Dec. 7, the price of the NYMEX futures contract for January delivery settled at \$13.70 per MMBtu. Colder-than-normal temperatures contributed to widespread price increases in natural gas spot markets since Wednesday, November 23 as heating demand increased.
- Working gas in storage was 3,166 Bcf as of Friday, December 2, which is nearly 7 percent above the 5-year average inventory level for the report week, according to EIA's Weekly Natural Gas Storage Report. The implied net withdrawal of 58 Bcf was 20 percent below the 5-year average of 74 Bcf for the report week.
- According to the EIA as of Dec. 6, on average, households heating primarily with natural gas likely will spend \$281 (38 percent) more for fuel this winter than last winter (Oct. 2005 - March 2006).



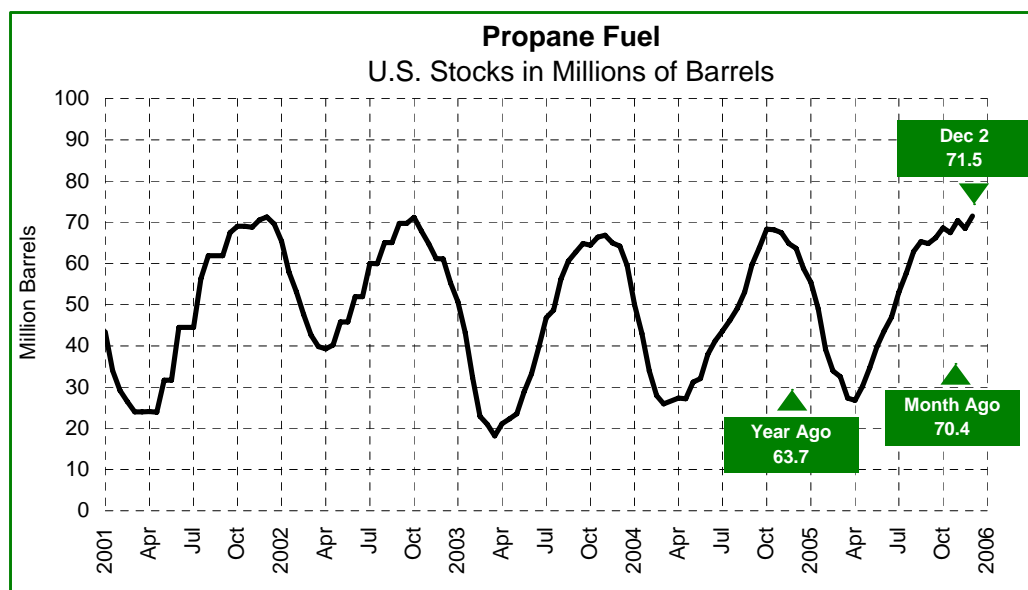
Propane

Approximately 13 percent (293,803) of Missouri households heat with propane, which is also used to support commercial operations, produce goods, dry grain harvests and fuel vehicles.

Missouri's average retail propane price was \$1.64 per gallon on Dec. 5, down 2.0 cents from a month ago, yet 9.1 cents or 6 percent higher than a year ago.

Propane - Residential Prices (cents per gallon)					
	12-05-05	11-07-05	change	12-06-04	change
Missouri	164.9	166.9	down 1%	155.8	up 6%

- As of Dec. 2, U.S. inventories of propane continued to build with a 0.7 million barrel gain that placed the nation's primary supply of propane at an estimated 71.5 million barrels, the highest level during November since 1998.
- Midwest inventories posted a decline of 875,000 barrels, moving from 24.45 to 23.58 million barrels. Inventories stood at 21.16 million barrels at this time last year.
- The combination of improved propane production, an increase in propane imports and relatively flat demand contributed to the supply gains in propane inventories over the past several weeks.
- According to the EIA as of Dec. 6, households heating primarily with propane can expect to pay, on average, \$167 (15 percent) more this winter than last (Oct. 2005 - March 2006).



The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources, Energy Center. The Energy Center collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The Bulletin is a public resource made available to state government decision-makers, other interested individuals upon request and on-line at the Energy Center Internet address. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration; the National Association of State Energy Officials; the St. Louis AAA Auto Club; regional state energy offices; and Missouri's energy retailers.

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